

110TH CONGRESS
1ST SESSION

S. 273

To amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for Medicare prescription drugs.

IN THE SENATE OF THE UNITED STATES

JANUARY 11, 2007

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for Medicare prescription drugs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prescription Drug and
5 Health Improvement Act of 2007”.

6 **SEC. 2. NEGOTIATING FAIR PRICES FOR MEDICARE PRE-**
7 **SCRIPTION DRUGS.**

8 (a) NEGOTIATING FAIR PRICES.—

1 (1) IN GENERAL.—Section 1860D–11 of the
2 Social Security Act (42 U.S.C. 1395w–111) is
3 amended by striking subsection (i) (relating to non-
4 interference) and by inserting the following:

5 “(i) AUTHORITY TO NEGOTIATE PRICES WITH MAN-
6 UFACTURERS.—In order to ensure that beneficiaries en-
7 rolled under prescription drug plans and MA–PD plans
8 pay the lowest possible price, the Secretary shall have au-
9 thority similar to that of other Federal entities that pur-
10 chase prescription drugs in bulk to negotiate contracts
11 with manufacturers of covered part D drugs, consistent
12 with the requirements and in furtherance of the goals of
13 providing quality care and containing costs under this
14 part.”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by paragraph (1) shall take effect on the date of en-
17 actment of this Act.

18 (b) HHS REPORTS COMPARING NEGOTIATED PRE-
19 SCRIPTION DRUG PRICES AND RETAIL PRESCRIPTION
20 DRUG PRICES.—Beginning in 2008, the Secretary of
21 Health and Human Services shall regularly, but in no case
22 less often than quarterly, submit to Congress a report that
23 compares the prices for covered part D drugs (as defined
24 in section 1860D–2(e) of the Social Security Act (42
25 U.S.C. 1395w–102(e)) negotiated by the Secretary pursu-

1 ant to section 1860D–11(i) of such Act (42 U.S.C.
2 1395w–111(i)), as amended by subsection (a), with the
3 average price a retail pharmacy would charge an indi-
4 vidual who does not have health insurance coverage for
5 purchasing the same strength, quantity, and dosage form
6 of such covered part D drug.

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